

January 27, 2021

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Biden:

The undersigned military and veterans service organizations represent millions of current and former servicemembers, their families, and survivors. Congress passed the Military Lending Act (MLA) with broad bipartisan support, recognizing the risk to military readiness when servicemembers are targeted by predatory lenders. Congress chose to cap the interest rate these lenders can charge servicemembers at 36 percent.

Historically, the Consumer Financial Protection Bureau (CFPB) has worked vigilantly to protect servicemembers through supervisory examinations and enforcement actions. CFPB officials reinterpreted their powers during the previous administration, however, deciding they lack the power to selectively monitor MLA compliance by lenders. Notably, CFPB was the only prudential regulator to reach this legal conclusion – one that the military community urged bureau officials to reconsider.

Predatory lending is extremely detrimental to the military community. The estimated cost to separate a servicemember is [\\$58,250](#), a cost our nation bears. DoD estimates the MLA protections save millions of dollars each year, as fewer servicemembers face financial difficulty – spurred by unscrupulous lenders – that could lead to separation. Preserving and maintaining our highly trained force is essential for our national defense.

Supervisory exams for lenders help financial institutions just as much as they help the military community. The CFPB exams help lenders ensure their compliance, reducing the likelihood of violations and fines. Stopping MLA supervisory exams has only harmed servicemembers and institutions.

Sen. Jack Reed, a veteran himself, has championed MLA protections for the military community. We urge you to work with him and the members of both parties and chambers to address this issue while keeping the rest of the MLA unchanged.

The military and veterans service organizations look forward to working with you to protect our community and our nation.

Sincerely,

See attached list of supporting organizations

Air Force Sergeants Association (AFSA)
Army Aviation Association of America (AAAA)
AMSUS, the Society of Federal Health Professionals
Association of the United States Navy (AUSN)
Commissioned Officers Association of the US Public Health Service (COA)
Chief Warrant Officers Association of the US Coast Guard (CWOA)
Fleet Reserve Association (FRA)
Gold Star Wives of America (GSW)
Jewish War Veterans of the United States of America (JWV)
Iraq and Afghanistan Veterans of America (IAVA)
Marine Corps Reserve Association (MCRA)
Military Chaplains Association of the United States of America (MCA)
Military Officers Association of America (MOAA)
Military Order of the Purple Heart (MOPH)
National Military Family Association (NMFA)
Naval Enlisted Reserve Association (NERA)
Non Commissioned Officers Association (NCOA)
Service Women's Action Network (SWAN)
The Enlisted Association (TREA)
United States Army Warrant Officers Association (USAWOA)
USCG Chief Petty Officers Association (CPOA)
Veterans Education Success (VES)
Veterans of Foreign Wars (VFW)
Vets First

CC: Chairmen and Ranking Members, Senate and House Armed Services Committees